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THE TORONTO STOCK EXCHANGE

8/10/70
23/11/70

FILING STATEMENT NO. 1763
FILED, DECEMBER 4th, 1970.

File

PINNACLE PETROLEUMS LTD.

Full corporate name of Company

INCORPORATED UNDER THE LAWS OF THE PROVINCE OF ALBERTA

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953

(Ontario) by Letters Patent dated May 1st, 1957).

Reference is made to previous
Filing Statement No. 1698.

FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things,
an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.

a) The sale by the Company of all of the Company's interest in the Hamilton Lake Viking Unit and the Company's interest in certain mineral rights in the general area of the Hamilton Lake Viking Unit for a consideration of \$4,000,000.00. A finders fee of 5% (\$200,000.00) was payable on this transaction.

b) The purchase by the Company from its wholly owned subsidiary, Midalta Oil Company Limited of a 12.6% working interest in exploratory permits numbered A-4763 to A-4825 inclusive situated on and in the vicinity of Prince of Wales Island, for a cash consideration of \$302,023.00.

c) The acquisition by the Company of an interest in twenty-seven mining claims in Gauvin Township, in the Province of Quebec pursuant to an agreement whereby the Company has undertaken to make expenditures for the exploration and development of such claims.

d) The present directors and officers of the Company, with the exception of David Bruce Bullock, Derek S. Jones and Howard Rhodes, shall resign. The board of directors of the Company shall consist of seven persons composed of the aforesaid three persons, being nominees of D. Bruce Bullock and D. Bruce Bullock & Associates Limited, together with Carroll W. Bumpers, James A. McAuley, R. L. Borden and William H. Molle, being four nominees of Greyhound Leasing & Financial Corporation, 10 South Riverside Plaza, Chicago, Illinois, U.S.A., and that new officers be appointed all as more particularly set forth in paragraph 3 hereof.

2. Head office address and any other office address.

703 - 5th Street S.W., Calgary 2, Alberta

3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.

The new officers and directors of the Company are as follows:

D. BRUCE BULLOCK, President and Director - RR #2, Calgary, Alberta, a consulting geologist. Chief occupation for the past 5 years - vice president and then president of Bullock Helicopters Ltd; president of Pinnacle Petroleums Ltd. since June 19, 1969.

DEREK STEPHEN JONES, Secretary and Director - 201 Wascana Crescent, S.E., Calgary 30, Alberta, Barrister and Solicitor. Prior to 1966, employed in Land Department of Canada-Cities Service Petroleum Corporation, 1966 - 1967, Land Manager, Gage Canadian Oil and Gas Co., 1967 - 1969, Partner, Clarke & Jones, Barristers and Solicitors. October, 1969 to present, Partner in Burstall, Clarke, Jones & Coady, Barristers and Solicitors.

HOWARD STARTUP RHODES, Vice-President, General Manager and Director - 907 - 48th Avenue S.W., Calgary 6, Alberta, petroleum consultant. From 1959 to the present, he has been a petroleum consultant exclusively retained by Grizzly Petroleum Ltd.

	JAMES A. MCAULEY, Director - 1610 Fidelity Union Tower, Dallas, Texas, Petroleum Engineer - President of Greyhound Oil Field Services and formerly President of its predecessor, Gandy McAuley Inc. CARROLL W. BUMPERS, Director - 10 South Riverside Plaza, Chicago, Illinois 60606, U.S.A., Lawyer, President of Greyhound Leasing & Financial Corp. R. L. BORDEN, Director - 215 Eagle Ridge Drive, S.W., Calgary 9, Alberta, President, Greyhound Lines of Canada Limited. WILLIAM H. MOLLE, Director - 44 King Street West, Toronto 103, Ontario, since May, 1970 President, Greyhound Leasing & Financial of Canada, Ltd., during previous five years, Vice-President and General Manager of Greyhound Leasing & Financial of Canada, Ltd. Messrs. Bumpers, McAuley, Borden and Molle have been appointed to the board of directors of the Company as nominees of Greyhound Leasing & Financial Corporation, 10 South Riverside Plaza, Chicago, Illinois, U.S.A. pursuant to an agreement dated the 26th day of September, 1970 between D. Bruce Bullock & Associates Ltd. and D. Bruce Bullock (being the persons whose share holdings are large enough to materially affect control of the Company as stated in paragraph 16 hereof), Greyhound Leasing & Financial of Canada, Ltd., Midalta Oil Company Limited and Greyhound Leasing & Financial Corporation, whereby D. Bruce Bullock & Associates Ltd. and D. Bruce Bullock have agreed to cause the election to the board of directors of the Company of four (4) persons who shall be nominees of Greyhound Leasing & Financial Corporation.
4. Share capitalization showing authorized and issued and outstanding capital.	Authorized 7,000,000 shares without nominal or par value. Issued and outstanding 5,380,895 shares
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	a) All bonds, debentures, notes, mortgages, charges, liens or hypothecations granted by the Company have been satisfied out of the proceeds of the sale of the Hamilton Lake properties described in paragraph 1 a) hereof. b) A note payable by a wholly owned subsidiary to the Bank of Montreal in the sum of \$2,600,000 U.S. funds, which said note has been assumed by D. Bruce Bullock & Associates Ltd. remains outstanding.
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	100,000 shares at \$1.40 to D. Bruce Bullock & Associates Ltd. 12,500 shares at \$1.40 to J. D. Madder 2,500 shares at \$3.23 to J. D. Madder 2,000 shares at \$1.35 to J.D. Madder
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	SEE ITEM NO. 6.
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	Pursuant to the sale of the Company's interest in the Hamilton Lake Viking Unit, the Company paid a finders fee of \$200,000.00 to Bishop Minerals Ltd., 635 - 6th Avenue S.W., Calgary, Alberta. The fee was a negotiated fee for services rendered by an arms length party. 1. This is a private company incorporated under the laws of the Province of Alberta. 2. The Directors are; Mr. A.A. Bishop Mrs. J.V. Bishop Mr. M.W. Bishop Mr. J.S. Palmer, Attorney. 3. The Shareholders are; Mr. A. Bishop, Mrs. Bishop and their children.

FINANCIAL STATEMENTS

PINNACLE PETROLEUMS LTD. & SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET
AS AT 31 OCTOBER 1970 WITH COMPARISON TO 31 MARCH 1970

ASSETS

	31 OCTOBER 1970	31 MARCH 1970		31 OCTOBER 1970	31 MARCH 1970
CURRENT ASSETS			CURRENT LIABILITIES		
CASH & TERM DEPOSITS	\$ 750,816	\$ 14,519	PRODUCTION LOAN - CURRENT PORTION	\$	\$ 146,700
NOTES RECEIVABLE	225,000	-	ACCOUNTS PAYABLE	100,250	623,553
ACCOUNTS RECEIVABLE	53,888	60,310	DEBENTURE PAYABLE		688,147
DUE FROM D.BRUCE BULLOCK & ASSOCIATES LTD.	334,652	32,629	NOTE PAYABLE		50,000
PREPAID EXPENSES	2,883	4,573	LOAN PAYABLE		140,000
TOTAL CURRENT ASSETS	1,367,239	112,031		100,250	1,648,400
DEFERRED ACCOUNTS RECEIVABLE	22,581	27,683			
PROPERTY & EQUIPMENT - AT COST			PRODUCTION LOAN - NON CURRENT	-	513,275
PETROLEUM & NATURAL GAS PROPERTIES	1,319,229	4,330,595			
LESS, ACCUMULATED DEPLETION	493,907	493,907	DEMAND BANK LOAN (\$2,600,000)	2,803,112	2,803,112
	825,322	3,836,688			
PRODUCTION & OTHER EQUIPMENT	484,858	911,726	CAPITAL		
LESS, ACCUMULATED DEPRECIATION	241,338	406,339	CAPITAL STOCK		
	243,520	505,387	AUTHORIZED: 7,000,000 SHARES WITHOUT NOMINAL OR PAR VALUE		
NET PROPERTY & EQUIPMENT	1,068,842	4,342,075	ISSUED: 5,380,895 SHARES	5,774,799	5,774,799
OTHER ASSETS					
DRILLING & OTHER DEPOSITS	42,756	42,756	DEFICIT - EXHIBIT B	4,968,230	5,006,528
INCORPORATION COSTS	5,401	5,401		806,569	768,271
AGREEMENT BY D. BRUCE BULLOCK & ASSOCIATES LTD. TO ASSUME LIABILITY OF BANK LOAN FROM THE BANK OF MONTREAL - SEE CONTRA AGAINST WHICH 1,541,700 SHARES OF PINNACLE PETROLEUMS LTD. ARE PLEDGED, LESS ALLOWANCE FOR ESTIMATED DEFICIENCY IN VALUE OF SHARES PLEDGED \$1,600,000					
	1,203,112	1,203,112			
	1,251,269	1,251,269			
	\$ 3,709,931	\$ 5,733,058			

Dennis Bullock
Director

A S Rhodes
Director

EXHIBIT B

PINNACLE PETROLEUMS LTD. & SUBSIDIARY COMPANIESCONSOLIDATED STATEMENT OF EARNINGS AND DEFICIT
FOR THE SEVEN MONTHS ENDED 31 OCTOBER 1970.

	<u>MONTH OF OCTOBER 1970</u>	<u>MONTH OF OCTOBER 1969</u>	<u>SEVEN MONTHS ENDED 31 OCTOBER 1970</u>	<u>SEVEN MONTHS ENDED 31 OCTOBER 1969</u>
REVENUE				
CRUDE OIL & GAS SALES - NET	\$ 13,769	\$ 22,180	\$ 115,644	\$ 140,332
ROYALTY INCOME	951	478	4,010	1,090
INTEREST & OTHER INCOME	6,870	372	52,826	5,493
	<u>21,590</u>	<u>23,030</u>	<u>172,480</u>	<u>146,915</u>
EXPENSE				
LEASE OPERATING EXPENSE	7,151	15,655	63,771	84,087
GENERAL & ADMINISTRATIVE EXPENSE	21,409	24,188	130,155	150,253
INTEREST EXPENSE	21	15,835	46,549	76,488
	<u>28,581</u>	<u>55,678</u>	<u>240,475</u>	<u>310,828</u>
LESS, ADMINISTRATIVE EXPENSE RECOVERED	1,185	2,041	8,415	32,952
	<u>27,396</u>	<u>53,637</u>	<u>232,060</u>	<u>277,876</u>
NET PROFIT (LOSS) FOR THE PERIOD	\$ (5,806)	\$ (30,607)	\$ (59,580)	\$ (130,961)
DEFICIT 31 MARCH 1970.			(5,006,528)	
ADD, WRITE-DOWN OF P & NG PROPERTIES			(744,265)	
LESS, GAIN ON THE SALE OF HAMILTON LAKE			842,143	
DEFICIT 31 OCTOBER 1970			<u>\$ (4,968,230)</u>	

PINNACLE PETROLEUMS LTD. & SUBSIDIARY COMPANIESCONSOLIDATED STATEMENT OF SOURCE & APPLICATION OF FUNDS
FOR THE SEVEN MONTHS ENDED 31 OCTOBER 1970SOURCE OF FUNDS:

SALE OF HAMILTON LAKE		\$ 4,000,000
LESS, FINDER'S FEE	\$ 200,000	
LEGAL FEES	14,536	214,536
		3,785,464
NET REVENUE FROM PRODUCING PROPERTIES		55,883
INTEREST INCOME		49,791
OTHER INCOME		11,450
TOTAL SOURCE OF FUNDS		\$ 3,902,588

USE OF FUNDS:

REPAYMENT OF DEBT		
PRODUCTION LOAN	\$ 659,975	
DEBENTURES	688,147	
NOTE	50,000	
LOAN	140,000	1,538,122
CAPITAL EXPENDITURES		
PEEL RIVER Y.T. N-77	\$ 96,731	
PRINCE OF WALES ISLAND	229,116	
ROCK LAKE, N. DAKOTA	25,547	
CHOBOUGAMAU	12,639	
NON PRODUCING LEASE RENTALS	29,257	
OTHER EXPLORATION & DEVELOPMENT COSTS	12,727	406,017
OFFICE FURNITURE & EQUIPMENT		3,234
GENERAL & ADMINISTRATIVE EXPENSE		130,155
INTEREST EXPENSE		46,549
TOTAL USE OF FUNDS		2,124,077
NET INCREASE IN WORKING CAPITAL		\$ 1,778,511

SCHEDULE 1

PINNACLE PETROLEUMS LTD. & SUBSIDIARY COMPANIES

ANALYSIS OF GENERAL & ADMINISTRATIVE EXPENSES
FOR THE SEVEN MONTHS ENDED 31 OCTOBER 1970
WITH COMPARISON TO 1969.

	MONTH OF OCTOBER 1970	MONTH OF OCTOBER 1969	YEAR TO DATE 31 OCTOBER 1970	YEAR TO DATE 31 OCTOBER 1969
SALARIES & FEES	\$ 7,750	\$ 10,940	\$ 62,126	\$ 73,834
EMPLOYEE BENEFITS	26	93	569	644
OFFICE RENTAL	1,340	1,352	7,830	8,262
OFFICE EXPENSE	1,684	1,032	6,790	4,939
TELEPHONE & TELEGRAPH	274	591	3,436	4,220
TRAVEL & AUTO	508	1,403	8,313	10,336
SUBSCRIPTIONS & PUBLICATIONS	164	220	2,383	2,322
CONSULTING FEES	2,628	6,839	5,628	17,785
TECHNICAL SERVICES & SUPPLIES	(140)	676	1,509	5,862
LEGAL & AUDIT	6,650	386	11,246	12,154
TAXES & INSURANCE	525	646	3,910	4,742
CORPORATE EXPENSE	-	10	16,200	4,155
MISCELLANEOUS	-	-	215	998
	<u>\$ 21,409</u>	<u>\$ 24,188</u>	<u>\$ 130,155</u>	<u>\$ 150,253</u>

SCHEDULE 2

PINNACLE PETROLEUMS LTD. AND SUBSIDIARY COMPANIESANALYSIS OF WELL OPERATIONS
FOR THE SEVEN MONTHS ENDED 31 OCTOBER 1970.

	<u>BBLs.</u> <u>PROD.</u>	<u>SALES</u>	<u>ROYALTIES</u>	<u>OPERATING</u> <u>EXPENSE</u>	<u>NET</u> <u>PROCEEDS</u>
PARKMAN AREA	16,381	\$ 38,966	\$ 7,596	\$ 8,426	\$ 22,944
E. RAINBOW AREA	5,943	12,422	2,031	2,694	7,697
CARNWOOD CARDIUM UNIT	4,517	12,031	1,768	3,796	6,467
PEMBINA AREA - CIGOL	2,505	6,484	1,085	2,738	2,661
BELLY RIVER C UNIT	3,279	8,846	2,212	1,844	4,790
MIDALE AREA	8,043	17,264	3,025	14,027	212
BENSON UNIT	3,240	7,044	1,402	1,635	4,007
LAMPMAN UNIT	1,125	3,389	658	1,393	1,338
MOULTON UNIT	739	2,061	307	631	1,123
DODSLAND AREA	2,053	5,080	635	3,688	757
PEMBINA AREA - DECALTA	778	2,237	194	1,146	897
GLFNEATH UNIT	830	2,163	217	708	1,238
PINTO AREA - MESA	261	781	86	256	439
EAGLE LAKE UNIT	343	882	87	443	352
N. EUREKA UNIT	173	432	27	252	153
STEELMAN 1-23	347	972	132	810	30
PEMBINA 14-23	562	1,336	298	594	444
PINTO 16-3	1,253	2,925	673	2,093	159
STORTHOKS 16-23	744	1,967	260	1,014	693
BROWNING 3-29	654	1,664	134	1,593	(63)
COUNTLESS-MAKEPEACE	925	2,730	132	922	1,676
	<u>54,695</u>	<u>\$ 131,676</u>	<u>\$ 22,959</u>	<u>\$ 50,703</u>	<u>\$ 58,014</u>
HAMILTON LAKE	3,007	8,327	1,400	13,068	(6,141)
	<u>57,702</u>	<u>\$ 140,003</u>	<u>\$ 24,359</u>	<u>\$ 63,771</u>	<u>\$ 51,873</u>

AVERAGE DAILY PRODUCTION: 270 BBLs.

PINNACLE PETROLEUMS LTD. & SUBSIDIARY COMPANIESANALYSIS OF WELL OPERATIONS
FOR THE MONTHS OF OCTOBER 1970.

	<u>BBLs.</u> <u>PROD.</u>	<u>SALES</u>	<u>ROYALTIES</u>	<u>OPERATING</u> <u>EXPENSE</u>	<u>NET</u> <u>PROCEEDS</u>
PARKMAN AREA	2,185	\$ 5,058	\$ 989	\$ 1,038	\$ 3,031
E. RAINBOW AREA	438	647	76	345	226
CARNWOOD CARDIUM UNIT	629	1,626	238	442	946
PEMBINA AREA - CIGOL	452	1,043	89	422	532
BELLY RIVER C UNIT	479	1,251	279	243	729
MIDALE AREA	1,105	1,353	402	1,351	(400)
BENSON UNIT	466	1,014	202	203	609
LAMPMAN UNIT	165	510	94	335	81
MOULTON UNIT	109	313	50	79	184
DODSLAND AREA	222	1,700	200	1,255	245
PEMBINA AREA - DECALTA	163	255	24	135	96
GLENEATH UNIT	133	453	47	98	308
PINTO AREA - MESA	19	125	15	50	60
EAGLE LAKE UNIT	51	126	12	105	9
N. EUREKA UNIT	28	72	5	53	14
STEELMAN 1-23	52	128	17	127	(16)
PEMBINA 14-23	86	-	45	74	(119)
PINTO 16-3	165	-	80	197	(277)
STORTHOAKS 16-23	133	176	45	101	30
BROWNING 3-29	191	429	38	314	77
COUNTESS-MAKEPEACE	153	453	16	184	253
	<u>7,424</u>	<u>\$ 16,732</u>	<u>\$ 2,963</u>	<u>\$ 7,151</u>	<u>\$ 6,618</u>

AVERAGE DAILY PRODUCTION: 239 BBLs.

JAMES A. LEWIS ENGINEERING CO. LTD.

Petroleum Reservoir Analysts

736 EIGHTH AVENUE S.W.
CALGARY 2, ALBERTA

September 28, 1970

File: 9675

Midalta Oil Company Limited
703 Fifth Street S.W.
Calgary 2, Alberta

Gentlemen:

We have estimated the current market value of certain lands held under exploratory permits in the Canadian Arctic Islands.

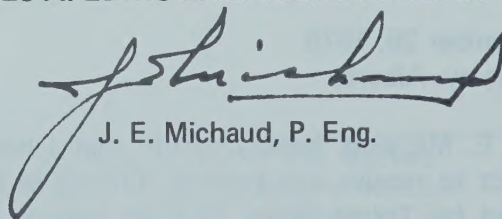
The lands in question comprise 4,794,013 acres in one contiguous group of 63 exploratory permits held by Toltec Mines Limited, 90 per cent of which is held in trust for Midalta Oil Company Limited, on and adjacent to Prince of Wales Island. This area is located on the eastern portion of the Victoria Strait Basin. Although this basin does not contain the thick sequence of Mesozoic beds as that found in the Sverdrup basin, Geological Surveys of Canada have indicated Paleozoic sediment thickness to be in excess of 10,000 feet under this acreage. Most of the land mass exposes rocks believed to be of Devonian or Silurian age. This sedimentary basin offers potential for hydrocarbon accumulations in the Devonian and Ordovician.

On the basis of recent trades and offers to purchase made in the general area, we estimate that this interest could be sold for \$.50 per acre or approximately \$2,400,000. As this area is in its earliest stages of exploration, the price quoted above is subject to rapid and significant revision as exploratory work is performed. This price represents our estimate of the current market place assessment of this acreage and does not necessarily reflect its intrinsic value or worth to the holder as an active petroleum explorer.

Should you require additional information, please feel free to call at your convenience.

Very truly yours,

JAMES A. LEWIS ENGINEERING CO. LTD.



J. E. Michaud, P. Eng.

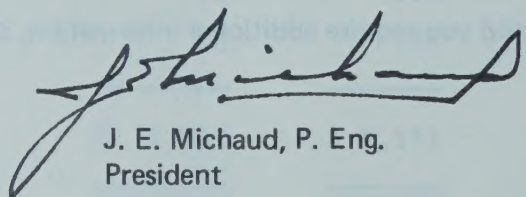
JEM:mc

CERTIFICATE OF QUALIFICATION

This is to certify that James A. Lewis Engineering Co. Ltd., with offices located at 736 Eighth Avenue S.W., Calgary 2, Alberta, Canada, did prepare a report on certain lands held under exploratory permits by Toltec Mines Limited, 90 per cent of which is held in trust for Midalta Oil Company Limited, dated September 28, 1970, located in the Canadian Arctic Islands.

- (1) James A. Lewis Engineering Co. Ltd. is a corporation of consulting petroleum engineers, engaged primarily in the appraisal and supervision of petroleum and natural gas properties.
- (2) J. E. Michaud, Petroleum Engineer, was the person directly responsible for the preparation of this report. Mr. Michaud has in excess of fourteen years experience in petroleum engineering and has been associated with James A. Lewis Engineering Co. Ltd. for approximately eleven years. Petroleum property evaluation experience of Mr. Michaud extends throughout the United States of America and Canada. He is an engineering graduate from the University of Alberta, Edmonton, Alberta. Mr. Michaud is a registered member of the Association of Professional Engineers in the Province of Alberta and is a member of the Engineering Institute of Canada and the Society of Petroleum Engineers of CIM and AIME.
- (3) James A. Lewis Engineering Co. Ltd. has no interest, directly or indirectly, nor does it expect to receive any interest, directly or indirectly, in any of the properties or securities owned by Toltec Mines Limited, Midalta Oil Company Limited or D. Bruce Bullock & Associates.
- (4) The said report is not based on personal field examination of the properties, inasmuch as such examination was deemed unnecessary.
- (5) The properties studied in this report are located in the Canadian Arctic Islands.

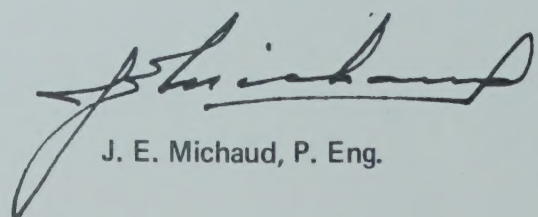
JAMES A. LEWIS ENGINEERING CO. LTD.



J. E. Michaud, P. Eng.
President

September 28, 1970
Calgary, Alberta

I, J. E. Michaud, hereby certify that I have no interest, directly or indirectly, nor do I expect to receive any interest, directly or indirectly, in any of the properties or securities owned by Toltec Mines Limited, Midalta Oil Company Limited or D. Bruce Bullock & Associates.



J. E. Michaud, P. Eng.

September 28, 1970
Calgary, Alberta

9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	The Company intends to carry on primarily as an oil and gas exploration and development Company in which connection the Company retains an interest in various producing and undeveloped properties summarized as follows: <table><thead><tr><th>PROPERTIES HELD FOR DEVELOPEMENT (NO RESERVES ASSIGNED)</th><th>GROSS ACRES</th><th>NET ACRES</th></tr></thead><tbody><tr><td>Petroleum and Natural Gas Leases in Alberta</td><td>93,695</td><td>20,590</td></tr><tr><td>Petroleum and Natural Gas Leases in Saskatchewan</td><td>40,270</td><td>16,780</td></tr><tr><td>Arctic Islands Exploration Permits</td><td>4,794.013</td><td>4,314,612</td></tr><tr><td>Production Licenses in the United Kingdom</td><td>2,186,475</td><td>2,072,637</td></tr><tr><td></td><td>7,114,461</td><td>6,424,619</td></tr></tbody></table> PRODUCING PROPERTIES (Proven and Probable Reserves) Alberta Net Oil Reserves estimated 713,800 barrels Saskatchewan Net Oil Reserves estimated 395,500 barrels 1,109,300 barrels Alberta Net Gas Reserves estimated 6,881,900 Mscf. The Company has also entered into an arms length agreement with Northeast Exploration Company, a Quebec Corporation, to participate in 27 mining claims located in Gauvin Township in the Province of Quebec pursuant to which agreement the Company has undertaken to expend the sum of \$100,000.00 on exploration and development with an option to the Company to expend a further sum of \$100,000.00. The Company is to cause a new Company to be incorporated for the purpose of acquiring the mining claims and upon the expenditure of \$100,000.00 by way of exploration and development expenditures, the Company shall be entitled to receive 60% of the capital stock of the new Company or in the event the Company exercises its option to expend a further \$100,000.00, the Company shall be entitled to 75% of the capital stock of the new Company. The Company has retained a consultant and has commenced an exploration program pursuant to that agreement.	PROPERTIES HELD FOR DEVELOPEMENT (NO RESERVES ASSIGNED)	GROSS ACRES	NET ACRES	Petroleum and Natural Gas Leases in Alberta	93,695	20,590	Petroleum and Natural Gas Leases in Saskatchewan	40,270	16,780	Arctic Islands Exploration Permits	4,794.013	4,314,612	Production Licenses in the United Kingdom	2,186,475	2,072,637		7,114,461	6,424,619
PROPERTIES HELD FOR DEVELOPEMENT (NO RESERVES ASSIGNED)	GROSS ACRES	NET ACRES																	
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Arctic Islands Exploration Permits	4,794.013	4,314,612																	
Production Licenses in the United Kingdom	2,186,475	2,072,637																	
	7,114,461	6,424,619																	
10. Brief statement of company's chief development work during past year.	Continuation of Hamilton Lake Unit - Waterflood Project																		
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	Midalta Oil Company Limited, 703 - 5th Street S.W., Calgary 2, Alberta, the Company's wholly owned subsidiary, is being paid \$302,023.00 in cash for the acquisition of the interest described in paragraph 1 c) hereof.																		
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	See item 11																		
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	None																		
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	None																		

15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	Midalta Oil Company Limited, 703 - 5th Street S.W., Calgary 2, Alberta	1,561,700	
	D. Bruce Bullock, 703 - 5th Street S.W., Calgary 2, Alberta	1,259,895	
	Bongard Leslie & Company Ltd., 20 King Street West, Toronto, Ontario	294,350	
	Richardson Securities of Canada, 173 Portage Avenue, Winnipeg, Manitoba	173,325	
	Greyhound Leasing & Financial of Canada, Ltd. 44 King Street West, Toronto 103, Ontario	165,272	
	The shares registered in the name of Midalta Oil Company Limited are beneficially owned by D. Bruce Bullock & Associates Ltd.		
	The beneficial owners of the shares registered in the name of Bongard Leslie & Company Ltd. and Richardson Securities of Canada are not known.		
	D. Bruce Bullock & Associates Ltd. and D. Bruce Bullock have entered into agreements with Greyhound Leasing & Financial Corporation dated the 26th day of September, 1970 pursuant to which they have respectively agreed to appoint Greyhound Leasing & Financial Corporation or its nominee as their proxy to vote all shares in the Company beneficially owned by them at all meetings of the shareholders of the Company.		
16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	D. Bruce Bullock & Associates Ltd. - 703 - 5th Street S.W., Calgary 2, Alberta.		
	D. Bruce Bullock - R.R. #2, Calgary, Alberta.		
	Greyhound Leasing & Financial Corporation or its nominee by virtue of proxies held from D. Bruce Bullock & Associates Ltd. and D. Bruce Bullock pursuant to the agreements made the 26th day of September, 1970 referred to in paragraph 15 hereof, would be in a position to materially affect control of the Company.		
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	<u>COMPANY</u>	<u>COST</u>	<u>MARKET VALUE</u>
	BALDONNEL OIL & GAS LTD.	\$337,500.00	All of the described Companies are wholly owned subsidiaries and no market value is available for these shares
	GRIZZLY PETROLEUM LTD.	\$425,000.00	
	MIDALTA OIL COMPANY LIMITED	\$2,141,821.50	
18. Brief statement of any lawsuits pending or in process against company or its properties.	None		
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	Management Contract dated August 18th, 1969 between D. Bruce Bullock and Associates Ltd. and Pinnacle Petroleums Ltd.		
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	No shares of the Company are in primary distribution to the public at the date hereof.		
	No other material facts		

CERTIFICATE OF THE COMPANY

DATED Sept 26/70

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

"D. B. Bullock"

PINNACLE PETROLEUMS LTD. CORPORATE
President SEAL

"A. Muirhead"

Treasurer
CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)